

## **Property Tax - Opinion - Flood Damage Reporting**

**From: Hyman, Dale [IDR]**

**Sent: September 9, 2008**

**To: IA Property Tax Administrators**

**Subject: Flood Damage Reporting**

What a year 2008 has been. Ice, snow, rain, floods, and tornadoes have pounded our state since the first of the year. The old timers with the "good ol' day" stories are being challenged with new records. Let's pray that Mother Nature will give Iowa a break this fall.

An issue we would like you to consider is how the records of valuation change are being built for the 2009 abstract and reconciliation. There has been a significant loss of value and likely a considerable amount of rebuilding. Value loss due to physical damage should be reported as demolition, which falls under buildings removed on the reconciliation report. Value loss due to a "stigma" factor measured from the market should be reported as revaluation. A property may suffer from both. Some of the value loss will be offset with rebuilding, which should be reported as new construction.

How these value changes are reported has a direct impact on equalization. For example if you incorrectly report a big loss of value as revaluation and the median assessment to sale price ratio for the jurisdiction is near 100%, the jurisdiction likely will receive an equalization order. It is important that you identify physical damage to properties and make an appropriate adjustment to the January 1, 2009 assessment. Action by the board of review and equalization are both forms of revaluation and would not be the time to be considering physical damage to properties.

If you have any questions on how to report value change due to storm damage, please contact Cary Halfpop or myself.

Cary Halfpop (515) 281-4780  
[cary.halfpop@iowa.gov](mailto:cary.halfpop@iowa.gov)

Dale Hyman (515) 281-3362  
[dale.hyman@iowa.gov](mailto:dale.hyman@iowa.gov)

Dale Hyman, Administrator  
Property Tax Division  
Iowa Department of Revenue  
[dale.hyman@iowa.gov](mailto:dale.hyman@iowa.gov)  
515/281-3362